

ORIGINAL

Bell Atlantic  
1300 I Street N.W.  
Suite 400W  
Washington, DC 20005

EX PARTE OR LATE FILED



July 9, 1998

**Ex Parte**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W. - Room 222  
Washington, D.C. 20554

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JUL - 9 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: **CC Docket Nos 96-45<sup>1</sup> & 97-160**

Dear Ms. Salas:

On Tuesday, July 7, 1998, Mr. Frank Gumper and myself representing Bell Atlantic, met with Chairman Julia Johnson with the Florida Public Service Commission and a member of the Federal/ State Joint Board on Universal Service CC Docket 96-45, and Bridget Duff, Mark Long and Greg Fogleman staff members of the Florida Public Service Commission. The discussion concerned the filing made by Bell Atlantic on May 15 in the items captioned above. The attached material served as the basis for the presentation during this meeting.

Any questions on this filing should be directed to me at 202-336-7875 or at the address shown above.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tracy Chaney".

Attachments

cc: The Honorable Julia Johnson  
B. Duff  
G. Fogleman  
M. Long

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## **Bell Atlantic's Modifications to the Ad Hoc Proposal**

- Bell Atlantic's modifications to Ad Hoc's Proposal were filed at the Federal Communications Commission on May 15, 1998. The Bell Atlantic proposal provides a reasonable alternative to maintain high cost funding at the existing level (\$1.7B) as opposed to alternative proposals that suggest funding above \$6B. This proposal is consistent with Bell Atlantic's policy of developing a sufficient fund that is targeted to states. In addition, these modifications address significant cost differences among states and minimize the flow between the states.
- Attachment 1 provides a summary of the modified federal Universal Service Fund by state.

The following are the highlights of Bell Atlantic's proposed modifications to the Ad Hoc platform:

- Produces a fund size of approximately \$1.7B, which includes LTS, high cost and DEM. Ad Hoc's high cost proposal produces a fund size of approximately \$2.3B when Long Term Support (LTS) is added back into their high cost results.
- This plan uses a statewide weighted average of 50% actual cost and 50% forward-looking cost (a combined HAI 5.0a and BCPM 3.1).
  - Use of any one proxy model carries a significant risk of over-estimating or under-estimating the amount of high-cost support that is needed. (Attachment 4)
  - Averaging of the proxy models and combining with actual costs results in no one proxy model weighted more than 25% and smoothes out the variances between models.
  - Calculating statewide costs further mitigates the large variances associated with smaller geographical areas.
  - In contrast, the Ad Hoc proposal now uses the latest Hatfield Model (HAI 5.0a), which tends to underestimate forward-looking costs.
- Incorporates the current threshold cost benchmark of 115% of the nationwide average cost to determine today's high cost fund to recover all costs above the benchmark.. Revenues vary depending upon state pricing policies, while costs remain relatively stable. As such, the benchmark should be based on statewide average costs and not revenues.
- The plan provides for different transition plans for rural and non-rural companies.
  - Non-rural companies are defined as operating companies with greater than 100K lines at the statewide level and/or companies having 1 million or more lines at the holding company level.
  - The change in universal service funding for non-rural companies is phased in over three years. Current funding levels are not maintained indefinitely.

- Rural companies support continues at current levels for at least three years. The FCC will evaluate rural companies in a separate proceeding.
- The Bell Atlantic modifications will keep insular, high cost areas such as Alaska, Hawaii, Guam, Puerto Rico, Malaysia, and the Virgin Islands at current funding levels. The basis for this decision is that forward-looking models either do not calculate costs for these areas or have not yet incorporated the costs associated with all of their operating companies.

Bell Atlantic's modifications to Ad Hoc's Proposal provide the following benefits:

- Keeps the fund to a sufficient and manageable size, and would not place an excessive burden on ratepayers or cause massive revenue shifts.
- Better targets high-cost states.
- Maintains federal/state partnership.
- Provides for a transition to allow policymakers and companies to adjust.
- Creates a simple plan that can be implemented by January 1999.

**50% Combined and 50% Embed. AMC**  
**Benchmark = \$35 (115%)**

**BA Proposal**

**Attachment 1**  
**USF Calculations USAC Loops**

State	Current Support	Proposed Support	Change Over 3 Years
AK	\$62,597,604	\$62,597,604.00	\$0
AL	\$39,274,860	\$25,386,868.98	(\$13,887,991)
AR	\$70,701,192	\$95,034,805.20	\$24,333,613
AZ	\$28,723,608	\$10,189,632.00	(\$18,533,976)
CA	\$55,285,308	\$30,822,924.00	(\$24,462,384)
CO	\$45,893,436	\$41,073,084.00	(\$4,820,352)
CT	\$1,399,680	\$1,399,680.00	\$0
DC	\$0	\$0.00	\$0
DE	\$0	\$0.00	\$0
FL	\$24,235,140	\$16,963,092.00	(\$7,272,048)
GA	\$72,279,888	\$49,460,556.00	(\$22,819,332)
HI	\$897,516	\$897,516.00	\$0
IA	\$27,500,136	\$29,098,288.80	\$1,598,153
ID	\$28,936,632	\$22,774,255.92	(\$6,162,376)
IL	\$21,584,928	\$19,964,484.00	(\$1,620,444)
IN	\$16,500,984	\$15,803,484.00	(\$697,500)
KS	\$57,721,656	\$42,639,098.31	(\$15,082,558)
KY	\$25,611,804	\$43,266,057.12	\$17,654,253
LA	\$67,614,840	\$65,039,544.00	(\$2,575,296)
MA	\$417,600	\$417,600.00	\$0
MD	\$588,636	\$588,636.00	\$0
ME	\$16,551,732	\$34,744,957.02	\$18,193,225
MI	\$33,670,200	\$29,644,908.00	(\$4,025,292)
MN	\$37,414,656	\$33,343,980.00	(\$4,070,676)
MO	\$50,440,560	\$28,167,648.00	(\$22,272,912)
MS	\$28,165,488	\$101,906,173.71	\$73,740,686
MT	\$44,155,068	\$67,481,716.05	\$23,326,648
NC	\$40,577,496	\$22,666,872.00	(\$17,910,624)
ND	\$21,197,016	\$41,029,121.16	\$19,832,105
NE	\$19,706,664	\$44,781,344.10	\$25,074,680
NH	\$9,046,716	\$8,177,904.00	(\$868,812)
NJ	\$3,282,276	\$1,153,296.00	(\$2,128,980)
NM	\$35,243,244	\$37,201,343.40	\$1,958,099
NV	\$8,859,732	\$7,675,524.00	(\$1,184,208)
NY	\$37,931,772	\$24,083,412.00	(\$13,848,360)
OH	\$14,766,612	\$14,766,612.00	\$0
OK	\$59,899,752	\$45,769,176.00	(\$14,130,576)
OR	\$37,091,748	\$34,728,912.00	(\$2,362,836)
PA	\$25,552,656	\$15,280,380.00	(\$10,272,276)
PR	\$145,852,320	\$145,852,320.00	\$0
RI	\$0	\$0.00	\$0
SC	\$45,209,328	\$35,665,489.62	(\$9,543,838)
SD	\$16,806,792	\$44,630,724.15	\$27,823,932
TN	\$27,766,632	\$27,766,632.00	\$0
TX	\$124,215,300	\$91,359,504.00	(\$32,855,796)
UT	\$8,403,012	\$8,403,012.00	\$0
VA	\$13,671,552	\$8,995,884.00	(\$4,675,668)
VT	\$11,843,472	\$27,791,154.72	\$15,947,683
WA	\$43,494,372	\$17,281,152.00	(\$26,213,220)
WI	\$51,445,152	\$45,912,648.00	(\$5,532,504)
WV	\$21,184,260	\$64,393,745.31	\$43,209,485
WY	\$21,358,524	\$29,272,605.21	\$7,914,081
St. DC & PR	\$1,702,569,552	\$1,713,045,361	\$10,475,809
GU	\$1,065,924	\$1,065,924	\$0
MCR	\$4,910,796	\$4,910,796	\$0
VI	\$16,245,684	\$16,245,684	\$0
Total	\$1,724,791,956	\$1,735,267,765	\$10,475,809

# Proposed Modifications to Ad Hoc's Plan

Attachment 1

A	B	C	D	E	F	G	H
	USAC Loans & Subsidy			Calc. New Statewide USF Sub.			
State	Sum of USF Loans	Current Statewide Subsidy, Annualized (USF, DEM, LTS)	Hold Harmless for Small Companies	50% Comb & 50% Actual AMC	New Statewide USF using 50% Comb & 50% Actual AMC	Proposed Support	Change over 3 Years
AK	377,416	\$62,597,604	\$62,597,604	\$36.50	\$62,597,604.00	\$62,597,604	\$0
AL	2,312,101	\$39,274,860	\$22,682,400	\$36.22	\$25,386,868.98	\$25,386,869	(\$13,887,991)
AR	1,318,280	\$70,701,192	\$36,147,528	\$43.01	\$95,034,805.20	\$95,034,805	\$24,333,613
AZ	2,541,549	\$28,723,608	\$10,189,632	\$32.02	\$0.00	\$10,189,632	(\$18,533,976)
CA	20,809,546	\$55,285,308	\$30,822,924	\$24.56	\$0.00	\$30,822,924	(\$24,462,384)
CO	2,452,764	\$45,893,436	\$41,073,084	\$34.23	\$0.00	\$41,073,084	(\$4,820,352)
CT	2,010,578	\$1,399,680	\$1,399,680	\$30.17	\$0.00	\$1,399,680	\$0
DC	901,311	\$0	\$0	\$17.43	\$0.00	\$0	\$0
DE	507,860	\$0	\$0	\$24.95	\$0.00	\$0	\$0
FL	9,897,855	\$24,235,140	\$16,963,092	\$29.14	\$0.00	\$16,963,092	(\$7,272,048)
GA	4,513,317	\$72,279,888	\$49,460,556	\$34.35	\$0.00	\$49,460,556	(\$22,819,332)
HI	693,630	\$897,516	\$897,516	\$32.09	\$897,516.00	\$897,516	\$0
IA	1,539,592	\$27,500,136	\$25,868,916	\$37.10	\$29,098,288.80	\$29,098,289	\$1,598,153
ID	642,252	\$28,936,632	\$16,425,936	\$38.94	\$22,774,255.92	\$22,774,256	(\$6,162,376)
IL	7,714,111	\$21,584,928	\$19,964,484	\$26.11	\$0.00	\$19,964,484	(\$1,620,444)
IN	3,342,142	\$16,500,984	\$15,503,484	\$30.62	\$0.00	\$15,503,484	(\$997,500)
KS	1,523,369	\$57,721,656	\$39,261,888	\$38.11	\$42,639,098.31	\$42,639,098	(\$15,082,558)
KY	1,986,504	\$25,611,804	\$11,208,288	\$37.42	\$43,266,057.12	\$43,266,057	\$17,654,253
LA	2,340,006	\$67,614,840	\$65,039,544	\$35.05	\$1,053,002.70	\$65,039,544	(\$2,575,296)
MA	4,273,186	\$417,600	\$417,600	\$26.88	\$0.00	\$417,600	\$0
MD	3,344,003	\$588,636	\$588,636	\$25.98	\$0.00	\$588,636	\$0
ME	775,211	\$16,551,732	\$16,335,516	\$39.98	\$34,744,957.02	\$34,744,957	\$18,193,225
MI	6,028,449	\$33,670,200	\$29,644,908	\$28.34	\$0.00	\$29,644,908	(\$4,025,292)
MN	2,773,994	\$37,414,656	\$33,343,980	\$32.61	\$0.00	\$33,343,980	(\$4,070,676)
MO	3,192,721	\$50,440,560	\$28,167,648	\$34.95	\$0.00	\$28,167,648	(\$22,272,912)
MS	1,270,809	\$28,165,488	\$16,627,044	\$43.91	\$101,906,173.71	\$101,906,174	\$73,740,686
MT	488,467	\$44,155,068	\$42,809,556	\$50.35	\$67,481,716.05	\$67,481,716	\$23,326,648
NC	4,453,425	\$40,577,496	\$22,666,872	\$34.42	\$0.00	\$22,666,872	(\$17,910,624)
ND	393,678	\$21,197,016	\$21,197,016	\$46.58	\$41,029,121.16	\$41,029,121	\$19,832,105
NE	958,710	\$19,706,664	\$18,646,644	\$40.19	\$44,781,344.10	\$44,781,344	\$25,074,680
NH	770,057	\$9,046,716	\$8,177,904	\$34.53	\$0.00	\$8,177,904	(\$868,812)
NJ	5,894,627	\$3,282,276	\$1,153,296	\$23.25	\$0.00	\$1,153,296	(\$2,128,980)
NM	862,940	\$35,243,244	\$26,002,800	\$39.79	\$37,201,343.40	\$37,201,343	\$1,958,099
NV	1,122,489	\$8,859,732	\$7,675,524	\$25.88	\$0.00	\$7,675,524	(\$1,184,208)
NY	12,308,488	\$37,931,772	\$24,083,412	\$29.56	\$0.00	\$24,083,412	(\$13,848,360)
OH	6,488,115	\$14,766,612	\$14,766,612	\$29.23	\$0.00	\$14,766,612	\$0
OK	1,869,687	\$59,899,752	\$45,769,176	\$37.69	\$45,265,122.27	\$45,769,176	(\$14,130,576)
OR	1,909,459	\$37,091,748	\$34,728,912	\$33.79	\$0.00	\$34,728,912	(\$2,362,836)
PA	7,669,723	\$25,552,656	\$15,280,380	\$25.86	\$0.00	\$15,280,380	(\$10,272,276)
PR	1,188,082	\$145,852,320	\$145,852,320	\$38.85	\$145,852,320.00	\$145,852,320	\$0
RI	625,327	\$0	\$0	\$27.68	\$0.00	\$0	\$0
SC	2,042,697	\$45,209,328	\$28,352,844	\$36.94	\$35,665,489.62	\$35,665,490	(\$9,543,838)
SD	395,137	\$16,806,792	\$16,806,792	\$47.55	\$44,630,724.15	\$44,630,724	\$27,823,932
TN	3,161,392	\$27,766,632	\$27,766,632	\$33.42	\$0.00	\$27,766,632	\$0
TX	11,286,718	\$124,215,300	\$91,359,504	\$32.34	\$0.00	\$91,359,504	(\$32,855,796)
UT	1,022,290	\$8,403,012	\$8,403,012	\$30.62	\$0.00	\$8,403,012	\$0
VA	4,166,624	\$13,671,552	\$8,995,884	\$29.63	\$0.00	\$8,995,884	(\$4,675,668)
VT	380,284	\$11,843,472	\$9,869,256	\$43.12	\$27,791,154.72	\$27,791,155	\$15,947,683
WA	3,333,124	\$43,494,372	\$17,281,152	\$31.40	\$0.00	\$17,281,152	(\$26,213,220)
WI	3,172,890	\$51,445,152	\$45,912,648	\$30.36	\$0.00	\$45,912,648	(\$5,532,504)
WV	930,411	\$21,184,260	\$3,124,524	\$42.69	\$64,393,745.31	\$64,393,745	\$43,209,485
WY	272,633	\$21,358,524	\$16,614,036	\$46.93	\$29,272,605.21	\$29,272,605	\$7,914,081
St. DC & PR	166,250,030	\$1,702,569,552	\$1,293,928,596	\$30.36	\$1,042,763,314	\$1,713,045,360	\$10,475,808
GU	0	\$1,065,924	\$1,065,924	n/a	\$1,065,924	\$1,065,924	\$0
MCR	18,837	\$4,910,796	\$4,910,796	n/a	\$4,910,796	\$4,910,796	\$0
VI	58,315	\$16,245,684	\$16,245,684	n/a	\$16,245,684	\$16,245,684	\$0
Total	166,327,182	\$1,724,791,956	\$1,316,151,000	n/a	\$1,064,985,718	\$1,735,267,764	\$10,475,808

**Impact Summary By State**  
**Benchmark = \$35 (115%)**

**Attachment 2**  
**USF Results**

State	Increased Level of Funding
MS	\$73,740,686
WV	\$43,209,485
SD	\$27,823,932
NE	\$25,074,680
AR	\$24,333,613
MT	\$23,328,648
ND	\$19,832,105
ME	\$18,193,225
KY	\$17,654,253
VT	\$15,947,683
WY	\$7,914,081
NM	\$1,958,089
IA	\$1,588,153

State	No Impact on Funding
AK	\$0
CT	\$0
DC	\$0
DE	\$0
HI	\$0
MA	\$0
MD	\$0
OH	\$0
PR	\$0
RI	\$0
TN	\$0
UT	\$0

**Impact Summary By State**  
**Benchmark = \$35 (115%)**

**Attachment 2**  
**USF Results**

<b>State</b>	<b>Decreased Level of Funding</b>
NH	(\$868,812)
IN	(\$997,500)
NV	(\$1,184,208)
IL	(\$1,620,444)
NJ	(\$2,128,980)
OR	(\$2,362,836)
LA	(\$2,575,296)
MI	(\$4,025,292)
MN	(\$4,070,676)
VA	(\$4,675,668)
CO	(\$4,820,352)
WI	(\$5,532,504)
ID	(\$6,162,376)
FL	(\$7,272,048)
SC	(\$9,543,838)
PA	(\$10,272,276)
NY	(\$13,848,360)
AL	(\$13,887,991)
OK	(\$14,130,576)
KS	(\$15,082,558)
NC	(\$17,910,624)
AZ	(\$18,533,976)
MO	(\$22,272,912)
GA	(\$22,819,332)
CA	(\$24,462,384)
WA	(\$26,213,220)
TX	(\$32,855,796)

## Non-Rural Holding Companies

1 Million or More USAC Loops  
Nationally

Holding Company Name	USAC Loops
BELL ATLANTIC	38,042,224
SOUTHWESTERN BELL	31,551,489
BELLSOUTH	22,079,006
AMERITECH	19,686,102
GTE CORPORATION	17,403,205
US WEST	15,118,481
SPRINT	7,134,587
SOUTHERN NEW ENGLAND TELEPHONE	1,990,248
ALLTEL SERVICE CORP	1,634,560
PUERTO RICO TEL CO	1,188,082

## 100k - 1 Million USAC Loops Nationally

Holding Company Name	USAC Loops
FRONTIER CORPORATION	976,115
CINCINNATI BELL	941,316
CITIZENS UTILITIES	864,563
PACIFIC TELECOM INC	514,808
TDS TELECOM	477,695
CENTURY TELEPHONE	468,815
ALIAN COMMUNICATIONS CO.	269,410
COMMONWEALTH TEL CO	239,060
ANCHORAGE TEL UTILITY	157,299
NORTH STATE TEL CO	111,774
ROSEVILLE TEL CO	103,468
ROCK HILL TELEPHONE	101,747

# Comparison of HAI 5.0a and BCPM 3.1 Model Results By State

Attachment 4

State	Current Statewide Subsidy, Annual (USF, DEM, LTS)	BCPM 3.1 Cost Above 115% of Average	HAI 5.0a Cost Above 115% of Average
AK	\$62,597,604	\$0	\$0
AL	\$39,274,860	\$152,168,495	\$126,992,274
AR	\$70,701,192	\$218,950,068	\$116,228,336
AZ	\$28,723,608	\$0	\$0
CA	\$55,285,308	\$0	\$0
CO	\$45,893,436	\$0	\$0
CT	\$1,399,680	\$0	\$0
DC	\$0	\$0	\$0
DE	\$0	\$0	\$0
FL	\$24,235,140	\$0	\$0
GA	\$72,279,888	\$0	\$0
HI	\$897,516	\$0	\$0
IA	\$27,500,136	\$214,800,159	\$111,552,492
ID	\$28,936,632	\$49,199,630	\$59,249,906
IL	\$21,584,928	\$0	\$0
IN	\$16,500,984	\$0	\$0
KS	\$57,721,656	\$75,400,422	\$112,197,939
KY	\$25,611,804	\$134,792,841	\$63,198,388
LA	\$67,614,840	\$0	\$0
MA	\$417,600	\$0	\$0
MD	\$588,636	\$0	\$0
ME	\$16,551,732	\$54,065,464	\$58,096,845
MI	\$33,670,200	\$0	\$0
MN	\$37,414,656	\$45,280,654	\$63,792,371
MO	\$50,440,560	\$113,621,889	\$71,267,931
MS	\$28,165,488	\$216,088,713	\$142,120,937
MT	\$44,155,068	\$95,530,200	\$176,197,337
NC	\$40,577,496	\$0	\$72,106,943
ND	\$21,197,016	\$76,698,494	\$143,408,563
NE	\$19,706,664	\$74,939,491	\$149,462,106
NH	\$9,046,716	\$0	\$0
NJ	\$3,282,276	\$0	\$0
NM	\$35,243,244	\$43,262,499	\$85,345,666
NV	\$8,859,732	\$0	\$0
NY	\$37,931,772	\$0	\$0
OH	\$14,766,612	\$0	\$0
OK	\$59,899,752	\$151,393,528	\$119,521,033
OR	\$37,091,748	\$0	\$0
PA	\$25,552,656	\$0	\$0
PR	\$145,852,320	\$0	\$0
RI	\$0	\$0	\$0
SC	\$45,209,328	\$63,294,482	\$14,273,046
SD	\$16,806,792	\$94,709,493	\$138,214,018
TN	\$27,766,632	\$15,420,215	\$14,579,688
TX	\$124,215,300	\$0	\$0
UT	\$8,403,012	\$0	\$0
VA	\$13,671,552	\$0	\$0
VT	\$11,843,472	\$39,495,205	\$23,270,357
WA	\$43,494,372	\$0	\$0
WI	\$51,445,152	\$8,180,374	\$0
WV	\$21,184,260	\$144,567,554	\$100,460,881
WY	\$21,358,524	\$33,083,223	\$51,622,946
St. DC & PR	\$1,702,569,552	\$2,114,943,093	\$2,013,160,003

The subsidy amount for each state equals the respective proxy model's statewide cost in excess of the model generated national average. In addition, the subsidy was calculated using each model's

# 1997 Per Capita Income

## National Ranking

	States	1997
1	Mississippi	\$18,272
2	West Virginia	\$18,957
3	Arkansas	\$19,585
4	New Mexico	\$19,587
5	Montana	\$20,046
6	North Dakota	\$20,271
7	Utah	\$20,432
8	Idaho	\$20,478
9	Oklahoma	\$20,556
10	Kentucky	\$20,657
11	Louisiana	\$20,680
12	South Carolina	\$20,755
13	Alabama	\$20,842
14	South Dakota	\$21,447
15	Nebraska	\$22,078
16	Arizona	\$22,364
17	Indiana	\$22,648
18	Tennessee	\$23,018
19	Illinois	\$23,102
20	North Carolina	\$23,345
21	Vermont	\$23,401
22	Indiana	\$23,604
23	Texas	\$23,656
24	Nebraska	\$23,803
25	Missouri	\$24,001
26	Georgia	\$24,061
27	Kansas	\$24,379
28	Oregon	\$24,393
29	Wisconsin	\$24,475
30	Ohio	\$24,661
31	Florida	\$25,255
32	Alaska	\$25,305
33	Michigan	\$25,560
34	Rhode Island	\$25,760
35	Hawaii	\$26,034
36	Pennsylvania	\$26,058
37	Virginia	\$26,438
38	California	\$26,570
39	Washington	\$26,718
40	Nevada	\$26,791
41	Minnesota	\$26,797
42	Colorado	\$27,051
43	New Hampshire	\$28,047
44	Illinois	\$28,202
45	Maryland	\$28,969
46	Delaware	\$29,022
47	New York	\$30,752
48	Massachusetts	\$31,524
49	New Jersey	\$32,654
50	District of Columbia	\$35,852
51	Connecticut	\$36,263

United States \$25,598

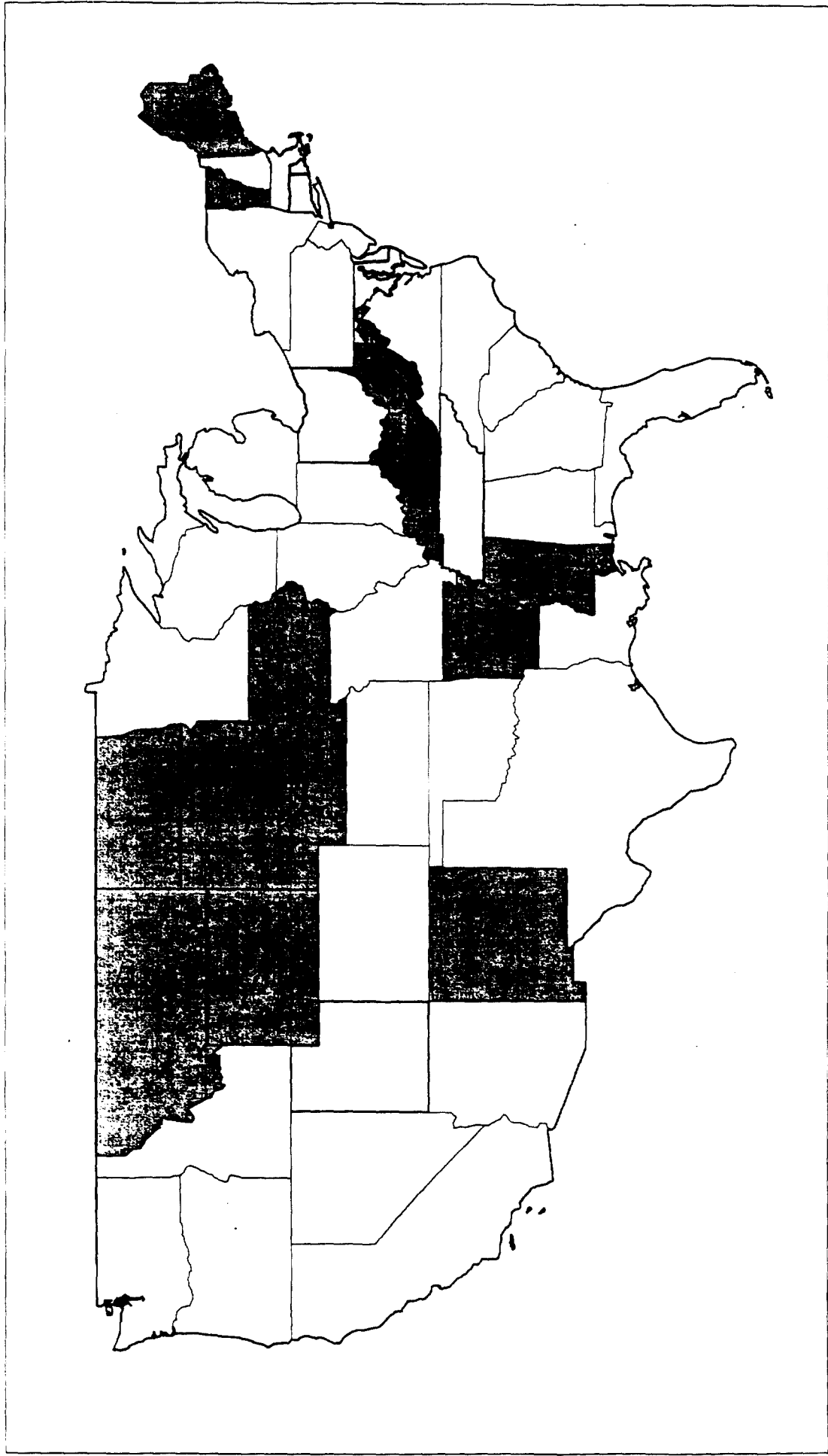
**USF Funding Projection**
**State of FLORIDA**
*Current Subsidy (all companies) versus "Hold Harmless" Subsidy (for small companies)*

Holding Company	Operating Company	Current Subsidy (note 1)	Current Subsidy for Small Companies (note 2)	Difference (Delta Year 3)
ALLTEL SERVICE CORP	ALLTEL FLORIDA INC (2)	\$5,031,132	\$0	-\$5,031,132
	Total Alltel Service Corp	\$5,031,132	\$0	-\$5,031,132
BELLSOUTH	SOUTHERN BELL-FL (2)	\$1,600,860	\$0	-\$1,600,860
	Total Bellsouth	\$1,600,860	\$0	-\$1,600,860
FRONTIER CORPORATION	FRONTIER COMM OF THE SOUTH-FL	\$542,328	\$542,328	\$0
	Total Frontier Corporation	\$542,328	\$542,328	\$0
GTE CORPORATION	GTE FLORIDA INC (2)	\$640,056	\$0	-\$640,056
	Total GTE Corporation	\$640,056	\$0	-\$640,056
INDIANTOWN TEL SYS	INDIANTOWN TEL SYSTEM	\$1,579,944	\$1,579,944	\$0
	Total Indiantown Tel Sys	\$1,579,944	\$1,579,944	\$0
NE FL TEL CO INC	NORTHEAST FLORIDA TEL CO INC	\$1,892,172	\$1,892,172	\$0
	Total Northeast Florida Tel Co	\$1,892,172	\$1,892,172	\$0
SPRINT	CENTRAL TEL CO OF FLORIDA (2)	\$0	\$0	\$0
	UNITED TEL CO OF FLORIDA (2)	\$0	\$0	\$0
	Total Sprint	\$0	\$0	\$0
ST. JOSEPH TELEPHONE	FLORALA TELEPHONE COMPANY-FL	\$1,149,912	\$1,149,912	\$0
	GULF TEL CO-FL	\$1,812,264	\$1,812,264	\$0
	ST JOSEPH TEL AND TELE CO	\$4,543,644	\$4,543,644	\$0
	Total St. Joseph Telephone	\$7,505,820	\$7,505,820	\$0
TDS TELECOM	QUINCY TEL CO-FL DIV	\$1,100,628	\$1,100,628	\$0
	Total TDS Telecom	\$1,100,628	\$1,100,628	\$0
VISTA-UNITED TELECOM	VISTA-UNITED TELECOMM SYSTEMS	\$4,342,200	\$4,342,200	\$0
	Total Vista-United Telecom	\$4,342,200	\$4,342,200	\$0
Florida Statewide Total		\$24,235,140	\$16,963,092	-\$7,272,048

**NOTES**

- (1) "Current Subsidy" is the annualized amount for all subsidy payments contained in USAC's hico2q98 file.
- (2) These operating companies fall into the categorization of "Large Company" under our "Large Company Specification 2" which classifies an operating company as being a "large company" if either (a) it is part of a holding company with 1,000,000 or more nationally and/or (b) it is part of a holding company which has 100,000 or more lines in the state.

# Funding Level Impact



Increased

